

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial & Insurance Regulation**

**In the Matter of:**

**Matthew R. Purchase**

**Enforcement Case No. 11-11304**

System ID No. 0086489

and

**Legacy Family Funeral Services, LLC**

System ID No. 0021470

Respondents.

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Issued and entered  
on 11/2/11, 2011  
by Stephen R. Hilker  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**FINDINGS OF FACTS AND CONCLUSIONS OF LAW**

1. At all relevant times, Matthew R. Purchase and Legacy Family Funeral Services, LLC (Respondents) were licensed resident producers.
2. On May 30, 2009, Victim I purchased pre-need funeral insurance through Respondents for \$6,000.00. The application shows that the insurance was underwritten by Forethought Life Insurance Company (Forethought).
3. On April 27, 2009, Victim II purchased pre-need funeral insurance through Respondents for \$600.00. The application shows that the insurance was underwritten by Forethought.
4. On May 20, 2008, Victim III purchased pre-need funeral insurance through Respondents for \$2,227.75. The application shows that the insurance was underwritten by Forethought.
5. On November 5, 2010, and in response to an inquiry from the Office of Financial and Insurance Regulation, Forethought stated that it had not received an application or premium for Victim I, II, and III.

6. Respondents completed the above applications and collected the premiums but failed or refused to forward the applications and remit the premiums to Forethought.
7. As licensed resident producers, Respondents knew or had reason to know that MCL 500.1207(1) provides, in part, "An agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility."
8. As licensed resident producers, Respondents knew or had reason to know that MCL 500.1239(1) provides, in part:

In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions, and the commissioner shall refuse to issue a license under section 1205 or 1206a, for any 1 or more of the following causes:

\* \* \*

(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

\* \* \*

(d) Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.

\* \* \*

(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.

9. As licensed insurance producers, Respondents knew or had reason to know that MCL 500.1247(2) provides that "within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents."

10. Respondents failed or refused to report the criminal prosecution of Matthew R. Purchase, and failed or refused to supply any documentation regarding the prosecution, to the Commissioner.
11. Respondent Matthew R. Purchase was convicted of Attempted Embezzlement – Agent or Trustee, \$20,000.00 or more, MCL 750.174, and Conducting a Criminal Enterprise, MCL 750.129i, both felonies, for his unlawful conversion of funds for his own use or benefit, and failure to escrow or trust funds according to the prepaid funeral or cemetery act that were paid pursuant to a prepaid contract for funeral or cemetery services.
12. Based on the above facts, Respondents' conduct violated the insurance laws of this state; Respondents' improperly withheld, misappropriated, or converted money received in the course of doing insurance business; Respondents failed or refused to report a criminal prosecution; and Respondents' conduct demonstrates fraudulent, coercive, or dishonest practices and incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in this state.
13. Finally, based on the above actions, Respondents have committed acts that are grounds for the Commissioner ordering licensing sanctions, up to and including revocation, under MCL 500.1244(1).

### **ORDER**

Based on the findings of fact and conclusions of law above, and Respondents' stipulation to said facts, it is hereby **ORDERED** that:

1. Respondents shall immediately cease and desist from operating in a manner that violates Sections 1207, 1239, and 1247 of the Code, MCL 500.1207, 500.1239, and 500.1247.
2. Respondents' licenses and authority are hereby **REVOKED**.

  
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**Stephen R. Hilker**  
**Chief Deputy Commissioner**

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**STIPULATION**

Respondents have read and understand the consent order above. Respondents agree that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. Respondents waive the right to a hearing in this matter if this consent order is issued. Respondents understand that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondents waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondents admit the findings of fact and conclusions of law set forth above and agree to the entry of this order. Respondents admit that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code. Respondents have had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.



Matthew R. Purchase



LEGACY FAMILY FUNERAL SERVICES, LLC  
MEMBER-MGR.

Legacy Family Funeral Services, LLC

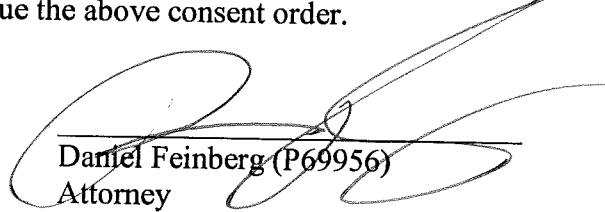
By: Matthew R. Purchase

Its: Managing Member

Dated: OCT. 14, 2011

Dated: OCT. 14, 2011

The Office of Financial and Insurance Regulation staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above consent order.



Daniel Feinberg (P69956)  
Attorney

Dated: OCT. 28, 2011